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KINGMAKER FOOTWEAR HOLDINGS LIMITED

信星鞋業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01170)

INSIDE INFORMATION

This announcement is made by Kingmaker Footwear Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the announcement of the Company dated 24 August 2020 in relation to the impact of the novel coronavirus (COVID-19) pandemic on the Group’s operations.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a profit attributable to equity holders of the Company of not less than approximately HK\$40 million for the six months ended 30 September 2020 (the “**Period**”) as compared with the loss attributable to equity holders of the Company for the six months ended 30 September 2019.

The expected profit was mainly attributable to:

- (i) a fair value gain arising from the revaluation of the property at the Zhuhai plant that the Group leased out pursuant to the lease agreement entered into with an independent third party in May 2020; and
- (ii) a share of profit of associates during the Period as compared with the share of losses incurred in the corresponding period last year by the Group's associates operating in Central Vietnam;

which were partially offset by:

- (i) the fair value losses on revaluation of the Group's other investment properties in Hong Kong and elsewhere in the People's Republic of China; and
- (ii) provision for impairment losses on certain items of assets in respect of the planned cessation of manufacturing activity of a loss-making subsidiary operating in Cambodia.

Notwithstanding the above, due to the impact of the COVID-19 pandemic, the Group's revenue attributable to its core business of manufacturing and sale of footwear products is expected to decrease by approximately 28% for the six months ended 30 September 2020 as compared to the same period in the previous year. A decrease in profit margin is also expected, mainly attributable to the decline in revenue and thus an increase in the proportionate labor costs to revenue.

The Company is still in the process of preparing the unaudited consolidated financial results of the Group for the six months ended 30 September 2020. The information contained in this announcement is only a preliminary assessment by the Company based on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 and the information currently available to the Board, which may be subject to adjustments, and is not based on any information or figures that have been reviewed or audited by the Company's auditor. Details of the Group's financial results for the six months ended 30 September 2020 will be disclosed in the interim results announcement, which is expected to be published by the end of November 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Kingmaker Footwear Holdings Limited
HUANG Hsiu Duan, Helen
Chairman

Hong Kong, 13 November 2020

As of the date of this announcement, the Board consists of three executive Directors, namely Mdm. HUANG Hsiu Duan, Helen, Mr. WONG Hei Chiu and Mr. CHEN Yi Wu, Ares; three non-executive Directors, namely Mr. KIMMEL Phillip Brian, Mr. CHAN Ho Man, Daniel and Dr. CHOW Wing Kin, Anthony; and three independent non-executive Directors, namely Mr. TAM King Ching, Kenny, Mr. YUNG Tse Kwong, Steven and Ms. CHAN Mei Bo, Mabel.

** for identification purposes only*